

Addressing Generational Diversity

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Have you considered your organization's employee mix?

Not just in terms of ethnicity or race, but age differences.

Addressing the needs and distinctions of various age groups in your workplace can help you reap the benefits from your most talented employees.

Organizations worldwide are wrestling with a significant demographic shift - the aging of their workforces.

Lower birth rates over the past four decades have resulted in a "baby bust." In a workforce estimate compiled by the Society for Human Resource Management, the organization said that the United States will create about 22 million new wage and salary jobs in the next decade while just 17 million people will enter the workforce.

The demographic shift, combined with dramatic changes in organizational structures, information flow and career paths, has pushed workers of different generation demographics into roles of close collaboration and, in some cases, turned aged-based hierarchies on their heads. These changes have also created new diversity challenges.

Research indicates that differences among the generations determine many employees' values and needs. Members of each generation bring distinct sets of values, attitudes and behaviors to the workplace, largely as a result of the era in which they grew up. Here's a rundown of the generations comprising today's workforce:

Matures, aged 60-78, make up about 10 percent of the U.S. workforce: They grew up in tough economic times during the Great Depression and World War II. Matures tend to value hard work. They are dedicated, and not just to doing a good job or making themselves look good, but also to helping the organization succeed and getting customers what they need. They are great team players, carry their weight and don't let others down.

Baby boomers, aged 41-59, make up almost half the U.S. workforce (46 percent): They grew up during an era of economic prosperity and experienced the tumult of the 1960s at an impressionable age. Baby boomers tend to be optimistic, idealistic and good team players. They are driven, love challenge and build stellar careers. Because they have had to compete with each other at every step of their careers, they can be highly competitive.

Generation X, aged 28-40, make up just 29 percent of the workforce: Gen Xers witnessed their parents' experiences with corporate downsizing and restructuring in the 1970s and '80s. Raised in an era of two-earner households, many of them got a child's-eye view of work-centric parenting. They value flexibility, work/life balance and autonomy on the job and appreciate a fun, informal work environment. They are constantly assessing how their careers are progressing and place a premium on learning opportunities. They are technologically savvy, eager to learn new skills and comfortable with change at work.

Generation Y, aged 27 and younger, make up just 15 percent of the U.S. workforce. However, over the next two decades that percentage will grow to approach that of the baby boomers in their prime. Gen Y tends to be well organized, confident, and resilient and achievement oriented. They are excellent team players, like collaboration and use sophisticated technology with ease. They are comfortable with and respectful of authority and relate well to older employees. They want to work in an environment where differences are respected and valued, where people are judged by their contributions and where talent matters.

Even as companies take steps to diversify their generational workforces, one trend cuts through all classifications: Employees are less motivated to advance to job positions with greater responsibility.

So said the Families and Work Institute's 2004 Generation & Gender in the Workplace study found a dramatic drop between 1992 and 2002 in employees' desire for promotions that would result in additional responsibility.

The decline was greatest among college-educated women of all ages and younger workers of both genders. In 2002, 80 percent of college-educated employees of all ages reported a desire to work fewer hours than they currently work, the FWI survey said. Among younger workers, both men and women are looking for greater balance in their lives.

For different reasons, the two generations that comprise the great majority of the workforce - baby boomers and Gen Xers - have the greatest desire to balance their work and personal lives.

Address challenge

To that end, companies have to address this challenge when they consider who to promote and how they develop long-term leadership pipelines.

As the baby boomers begin to retire, current strategies focused on recruitment and retention will no longer be sufficient to fill the growing vacuum in knowledge, experience and seasoned management.

Companies have to pay attention to how they intend to transfer knowledge from older employees to Generation X and Y - and that needs to be done now.

Well managed, this process could be an opportunity for older and younger employees to work more closely together.

When training matters, as it will when organizations compete to fill the gaps left by departing baby boomers, it seems likely that the focus will shift to the important learning that occurs through cross-generational teamwork and mentoring.

And that learning is likely to be a two-way street, with younger workers teaching older workers too as each generation shares the strengths it brings to the workplace.

Organizations that once embraced a "one size fits all" approach to total rewards must shift gears as they consider the options provided to each generation of employees. Benefits in the areas of health, money, career and work/life are viewed quite differently by employees of different generations.

Different options

Case in point: healthcare. While important to all age groups, each generation has different preferences.

Baby boomers, for example, want traditional benefits and are also increasingly interested in long-term care insurance. Gen Xers, next in line, are also watching the healthcare landscape closely.

Younger workers, on the other hand, are more likely to push for portable health insurance and wellness programs.

Work/life balance is among the most important factor in job satisfaction for younger employees of both sexes.

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